

## Disabled retirees to receive back pay

By Thomas Philpott, Military.com

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A small group of disabled military retirees this month will be the first of 133,000 to receive lump-sum back payments, which are tied to two "concurrent receipt" programs enacted since 2003, according to officials with the Defense Finance and Accounting Service.

The trickle of back payments in September will become a small geyser at the end of October. By then, officials say, another 40,000 retirees will see their catch-up payments deposited electronically in their bank accounts by either the federal Department of Veterans Affairs, DFAS or by both.

Back payments will vary in size from several hundred dollars up to \$10,000 or more. The average payment, by one estimate, will be \$3,700.

Almost all retirees in line for the back pay served 20 or more years and all have disabilities that made them eligible for Concurrent Retirement and Disability Pay or Combat-Related Special Compensation.

Pat Shine, DFAS' deputy director for operations, said from Indianapolis, Ind., that a majority of the back payments will be made within the next six months, with DFAS focusing first on older cases. He said it could take up to six more months to calculate and pay the most complex cases.

DFAS officials are calling the \$500 million back pay effort the "VA Retro Pay Project." Retirees don't need to apply. A "VA Retro Award hotline" has also been set up to field questions from recipients who believe they might qualify. That toll-free number is (877) 327-4457.

By late next week, DFAS officials hope to post a detailed explanation of the back pay program on their Web site at [www.dod.mil/dfas](http://www.dod.mil/dfas)

Most of the shortfalls resulted from VA withholding too much disability compensation after CRSC and CRDP began. Traditional VA and DFAS rules on withholding failed to take account of changes to concurrent receipt law.

Retirees who received retroactive pay this month represent the sampling of files that DFAS and VA used to test their revised pay software and data exchange processes. Back payments owed to the remaining 133,000 retirees have been separated by levels of difficulty.